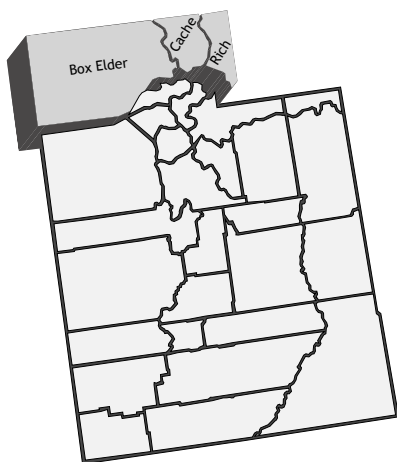


Bear River: Box Elder, Cache, Rich

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Wages in Northern Utah

Wages in Northern Utah...The Study Continues

This is a continuation of the discussion about wages which began in the March issue of Wasatch North Workforce News. This article expands the analysis to all of the northern Utah counties.

Did Average Monthly Wages Increase Between 2004 & 2005?

Yes. Remember wages need to increase just to cover the change in the purchasing power of your dollar—inflation. But that's a discussion for another time. Between 2004 and 2005 wage levels did bump up for the state and its northern counties. Some areas fared better than others (see graph). Overall, wages increased across the Beehive State to the tune of 3.6 percent. In Box Elder County the change was 7.9 percent, and in Rich County wages zoomed up by 9.2 percent. That makes the percent changes in northern Utah's populated counties look puny. (Just remember that in the small counties with much lower employment bases, it doesn't take a big change in employment to significantly impact the rate of change.) Davis County logged in a 2.5-percent increase, with Weber close behind at

2.4 percent. Cache wages increased at less than half the pace of wage increases in Utah, with a 1.8-percent change from 2004 to 2005. One reason for the small increase is the growth in lower-wage jobs and because larger number or available workers. Only Box Elder, Morgan, and Rich counties exceeded the state average increase in wages.

And the Average Wage in Your County Is...

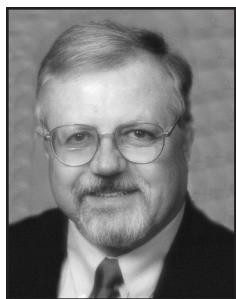
The second graph presents the average monthly wage for each of the six northern Utah counties. The state's average wage for 2005 was \$2,736—up by 3.6 percent from the 2004 figure of \$2,641. For the northern counties, Box Elder has the highest average wage, due primarily to the preponderance of higher-paying manufacturing companies. Over 40 percent of Box Elder's total employment is in manufacturing compared to the state average of 10 percent. Box Elder ranks fourth among the counties in average monthly wage.

Davis County's average wage—\$2,713—was next in order. Its wage was slightly less than the state average

(continued on page 2)

Inside:

- ✦ **County economic news** for Box Elder, Cache & Rich
- ✦ **Just released: new wage data** and how to get it.



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Wages in Northern Utah

(continued)

of \$2,736. Weber County reported an average 2005 wage of \$2,471, well below the state average. Morgan County listed an average monthly wage of \$2,240 for its small employment base. Payroll workers in Cache County earned an average of \$2,080 in 2005. Scant increases in wages in this county relate to the demographic of a large, young, college-age workforce. Its relative position in terms of wages is lower. Rich County has the dubious honor of claiming the lowest average wage in the six northern counties. This is due to its small employment base with jobs concentrated in the lower-paying seasonal, hospitality and recreation industries. Please note that some of the individuals employed in Rich county are proprietors and self-employed. They don't appear on the payroll records used to calculate the average payroll wage.

Remember, wages are determined by the economy and labor market. Workers in occupations that are in high demand can expect the wage to be bid up as employers compete for those skills in demand. In markets where a surplus of workers exists, particularly in low and semi-skilled jobs, one can expect that wages will be lower.

For more county and wage information:

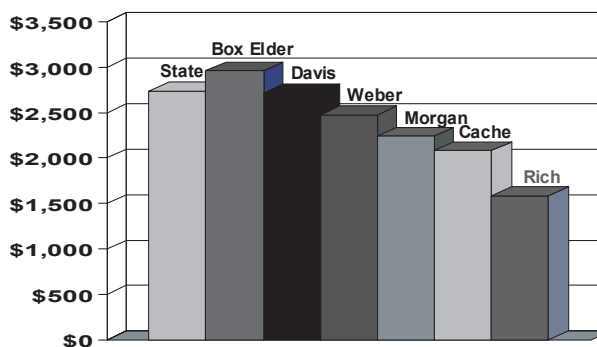
<http://jobs.utah.gov/jsp/wi/utalmis/default.do>

<http://jobs.utah.gov/opencms/wi/regions/local.html>

New Occupational Wage Data Available

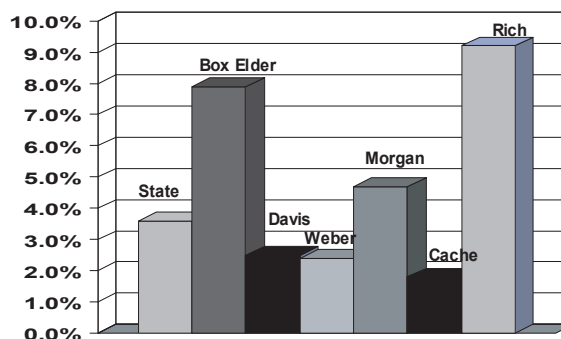
Time for data treats for wage data junkies. The Department of Workforce Services is releasing occupational wage information from our Occupational Employment Statistics (OES) Survey for a new configuration of areas. For those in Cache Valley, we have a new MSA (metropolitan statistical area). The geography includes Cache County, Utah and Franklin County Idaho. Also, wage data will be available for the first time for the Box Elder County area (includes Rich County too). The new Ogden-Clearfield MSA occupational wage data is also available. Previously, this area was included in the Salt Lake-Ogden MSA. Wage data has, in the past, been released in the combined county area called Davis, Morgan, and Weber. This area is now an official MSA called Ogden-Clearfield. To see this new wage data, log on to <http://jobs.utah.gov/opencms/wi/pubs/wni/>.

Northern Utah Counties
Average Monthly Wage – 2005_p



p = preliminary
Source: Utah Department of Workforce Services

Northern Utah Counties
Change in Average Monthly Wage – 2004 2005_p



p = preliminary
Source: Utah Department of Workforce Services

County News

Box Elder County

Box Elder County's economy grew at a rapid pace during the fourth quarter of 2005 with the county's 950 employers adding about 850 new positions each month. Current unemployment (March) was 3.4 percent, down from the 4.5 percent a year ago, and the 3.8 percent of February and January 2006. From December 2004 to December 2005, Box Elder County increased jobs in both construction (170) and manufacturing (400). Nearly all industries experienced some job growth and those that didn't lost fewer than 10 jobs. Fourth quarter gross taxable sales were also up—8.5 percent. Nearly half of the total 116 million in sales was in retail trade (\$62 million) with manufacturing and services next with \$13 million and \$11 million, respectively. Construction grew by 11.7 percent. Most of the \$161 million in total construction valuations were in residential building. All the county's economic indicators were positive—up not by a little, but up substantially.

Cache County

Unemployment was 3.4 percent in March 2006, down from 4.2 percent in March 2005, declining steadily over the year. Job growth, although positive, has not been as strong as in other parts of the state. Still, in the December 2004 to 2005 comparison, the county added over 760 jobs. Virtually all the new jobs were in the service-producing industry sectors of finance, healthcare and trade. Job losses in the business services sector came as companies laid off or moved out of the county. Spending in the county was up 12 percent from the fourth quarter of 2004 to fourth quarter 2005. Consumers spent most of the \$190 million in retail outlets (\$80 million) with \$26 million in service industries. Construction activity rose substantially from last year. Total valuation almost doubled (from \$25 million to \$49 million). About \$18 million of this was for new residential construction with a surprising increase of about \$14 million for additions, alterations, and repairs to commercial buildings in Logan. Even with somewhat slower job growth, the county's economy remains healthy.

Rich County

Even with declining unemployment rates, Rich County failed to produce positive job growth. Unemployment in March was 2.5 percent, down from the 4.6 percent a year before. Overall for the December 2004 to December 2005 period, non-farm jobs in the county dropped by 24, from 574 to 548—a decline of 4.5 percent. A drop in this off-season part of the year is typical for the county. Spending in fourth quarter of 2005 was up. Consumers spent 21 percent more than fourth quarter 2004. Half of sales was in retail trade. Construction activity in the county improved just a little, about seven percent in the first quarter, with total valuation at \$1.7 million. Only 5 permits were issued for new dwellings during January, February, and March of 2006. For the usually "off" season, the economy was holding its own.

What's Up?

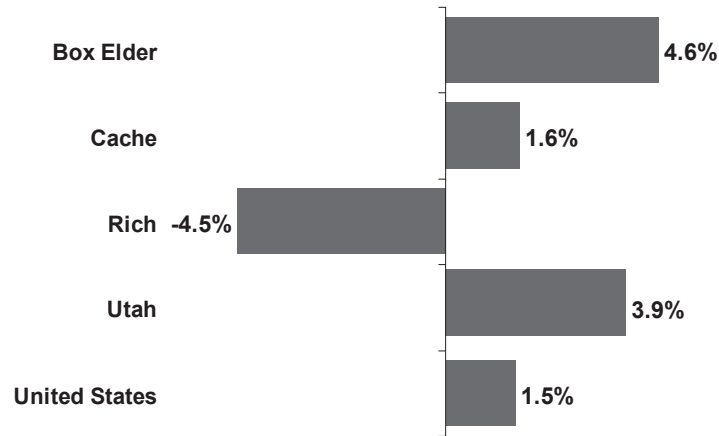
✧ Telecommunications giant Qwest announced plans to open a new "customer care center" this summer that officials say will bring nearly 600 jobs to Cache Valley. The 90,000-square-foot facility, which Qwest says is slated to open in mid-June at 2250 N. Main Street.

✧ Utah's ATK/Thiokol is about to get a \$541 million boost from its own rocket motor business. The money represents ATK/Thiokol's share of three contracts worth \$626 million that the U.S. Air Force in early February agreed to award Northrop Grumman Corp. to refurbish and upgrade the nation's aging Minuteman III strategic missile system.

Bear River: Box Elder, Cache, Rich

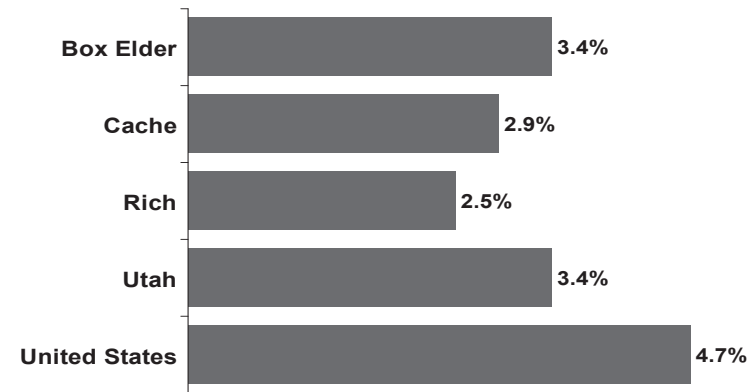
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Change in Bear River Non-farm Jobs
December 2004 to December 2005



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

Seasonally Adjusted Unemployment Rate
Bear River March 2006



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

03-51BR-0606